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County of Los Angeles - **CHIEF ADMINISTRATIVE OFFICE**

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DAVID E. JANSSEN
Chief Administrative Officer

September 7, 2006

To: Mayor Michael D. Antonovich
Supervisor Gloria Molina
Supervisor Yvonne B. Burke
Supervisor Zev Yaroslavsky
Supervisor Don Knabe

From: David E. Janssen
Chief Administrative Officer

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

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Fourth District

MICHAEL D. ANTONOVICH
Fifth District

COUNTY CHANNEL

On August 8, 2006, your Board unanimously approved the County Channel Plan recommended by this Office, with the exception of the portion relating to the Channel Advisory Board, which was referred back to this Office. Your Board also instructed this Office to report back on:

- Options relating to the content of the County Channel programming;
- The make-up of the Channel Advisory Board; and
- Franchise fees relating to the County Channel, and how they will be handled.

This memorandum responds to these issues.

Channel Advisory Board

The proposal to create a formal Channel Advisory Board (CAB) was intended to ensure coordination, guidance, and appropriate input from those in the County who have a unique role and interest in the County Channel. Upon research and review, it appears such an entity rarely exists in the overwhelming majority of governments that operate a channel. Most jurisdictions opt for an informal, cooperative relationship with key decision-makers or political leaders, thereby providing insulation on legal or political challenges regarding content. The CAB was originally proposed to include the press deputies of each of the five Board offices, the Chief Administrative Office's Public Information Officer, and the head of the Cable and Telecommunications Division (CAT). We continue to believe that regular input from the Board offices is essential in providing "big picture" guidance and input on programming for the Cable Channel. To facilitate this guidance and input, we recommend the following:

- Channel Advisory Group (CAG) – This group would consist of one representative of each of the Board offices and manager of the CAT Division, acting as a facilitator. The purpose of this group would be to provide overall guidance and input on the direction and vision of the Cable Channel. For example, the CAG would provide general guidance and input in areas of marketing strategies and outreach, and programming policy and content.

- Public Information Officers' Forum – Typically, on a quarterly basis, the Chief Administrative Officer's Public Information Officer (PIO) and interested PIOs from other County departments meet to discuss matters of mutual interest. The CAT manager should interface with this existing PIO group to solicit important input on the kind of original programming that could be developed, either independently or in conjunction with other departments. Significantly, these meetings would create a forum where programming ideas could be surfaced and discussed for the purpose of keeping the County Channel robust and fresh.

County Channel Programming

Content and the development of programming for the County Channel is a sensitive issue. It should be noted that all final programming decisions will be made by the CAT manager, who will be a County employee. One of the top priorities for the CAT manager, with input from the CAG, will be the development of policies and procedures for County Channel programming. These policies and procedures will provide guidance on issues such as programming to be developed, programming availability at any given time, and programming retention.

With regard to specific programming for the County Channel, the opportunities and options are abundant and exciting. The goal of the County Channel is to provide informative, up-to-date information on services the County provides to County residents. This may include programming on health care and guidance, consumer affairs, emergency preparedness, recreational and cultural opportunities, unincorporated communities, public safety awareness, to name only a few. Once again, specific programming has yet to be determined, but will be guided by policy developed with input from the CAG and from direct input from the PIOs and department heads. We will continue to keep your Board apprised of programming developments as we proceed with implementation of the County Channel.

Cable Legislation & Franchise Fees

Legislation now pending the Governor's signature, **County-Opposed Unless Amended AB 2987 (Nuñez)**, may have some impact on the County Channel. The bill provides for ongoing franchise fee revenue to the County at its current rate of 5 percent of a franchisee's gross revenue. Nonetheless, the County and other local governments sought specific amendments to improve exclusionary language in the bill's definition of gross revenues. The current definition of gross revenues in the County code, which would be inapplicable as a result of the bill, is broad and does not include the exemptions included in AB 2987. Therefore, franchisees will have the ability to exclude small revenue categories that the County would otherwise claim are owed. Although these exemptions exist in the bill, they are not expected to have a significant impact on the overall revenues received by the County, since they are categories that franchisees typically exclude and are only discovered through audit. Further, the bill includes an important statement of intent that the definition of gross revenues "shall result in local entities maintaining their existing level of revenue from franchise fees." Also significant is the fundamental purpose of the legislation, which is to increase competition in the video marketplace. Increased competition could result in increased revenues to the County.

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AB 2987 mandates franchisees to provide continued access to and maintenance of the public, education, and government (PEG) channels. Language specifically protecting the County's innovative video-on-demand government channel is not addressed in the bill. However, it should be noted that the County has received an official letter from Time Warner Cable stating it will honor its commitment to provide the County video-on-demand channel countywide, and comply with the terms and conditions of their agreement with the County, regardless of the legislation. AB 2987 passed the Senate by a vote of 33 to 4 and subsequently passed the Assembly by a vote of 65 to 5. The Bill now awaits the Governor's signature, and he is expected to sign it.

It is important to note that the State video franchises would not become effective until January 2008, allowing the County additional opportunity to seek additional amendments to this legislation in 2007.

We will continue to keep your Board apprised as we proceed with this exciting new endeavor. Please let me know if you have any questions, or your staff may contact Martin Zimmerman of this Office at 213.974.1326 or Susan Herman at 310.820.3001.

DEJ:MKZ
DS:JR:pg

c: Executive Officer, Board of Supervisors
County Counsel
Director of Consumer Affairs
Director of Internal Services
Susan Herman